

## Message Text

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PAGE 01 STATE 009858  
ORIGIN EUR-12

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 XMB-02  
CIAE-00 DODE-00 PM-05 H-01 INR-07 L-03 NSAE-00  
NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05  
IGA-02 /076 R

DRAFTED BY EUR/WE/KCSMITH:CM  
APPROVED BY EUR/REBARBOUR  
EUR/WE/EMROWELL

-----008461 131812Z /43

P 131730Z JAN 78  
FM SECSTATE WASHDC  
TO AMEMBASSY LISBON PRIORITY

C O N F I D E N T I A L STATE 009858

E.O. 11652: XGDS-2

TAGS: PGOV, EFIN, PO

SUBJECT: MESSAGE FROM PRESIDENT EANES

1. DURING A CALL ON DEPUTY ASSISTANT SECRETARY BARBOUR JANUARY 12, AMBASSADOR THEMIDO SAID THAT PRESIDENT EANES HAD ASKED HIM TO TELL THE USG AND THE IMF THAT IF A PRESIDENTIAL GOVERNMENT HAS TO BE FORMED, IN THE AFTER-MATH OF PS-CDS FAILURE TO REACH AGREEMENT, THE NEW ECONOMIC TEAM NEGOTIATING WITH THE IMF MIGHT HAVE OPINIONS DIFFERENT FROM THOSE HELD BY THE GOP OFFICIALS WHO HAD EARLIER NEGOTIATED WITH THE FUND. PRESIDENT EANES SAID THAT IF THIS WERE THE CASE, HE WOULD ASK THE USG AND IMF TO SHOW "UNDERSTANDING" FOR PORTUGAL'S DIFFICULT ECONOMIC SITUATION.

2. THEMIDO DID NOT ELABORATE ON WHAT EANES HAD IN MIND BY "UNDERSTANDING." WE ASSUME, HOWEVER, THAT EANES WAS  
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ASKING THE US TO MAINTAIN SOME FLEXIBILITY IN THE TERMS AND CONDITIONS FOR AN IMF SECOND TRANCHE CREDIT AGREEMENT AND FOR DISBURSEMENT OF THE \$300 MILLION US LOAN.

3. THEMIDO ADDED HIS PERSONAL VIEW THAT IF THERE IS A PS-CDS UNDERSTANDING ON A NEW GOVERNMENT, THE PREVIOUS GOVERNMENT'S ECONOMIC POLICIES WILL CONTINUE.

4. THEMIDO THEN STATED THAT HE HAS GREAT ADMIRATION FOR  
PRESIDENT EANES AND THAT HE PERSONALLY HOPES THAT THE  
US WOULD KEEP IN TOUCH WITH EANES EITHER THROUGH HIM OR  
THROUGH OUR EMBASSY IN LISBON CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESIDENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE009858  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** CM  
**Enclosure:** n/a  
**Executive Order:** X2  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
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**TAGS:** PGOV, EFIN, PO  
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**Review Markings:**  
Sheryl P. Walter  
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US Department of State  
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**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014